



**USAID**  
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# AFGHANISTAN

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## FACT SHEET

### Trade and Customs Reform

#### OVERVIEW

Expanding trade opportunities and increasing customs revenues are key priorities of the U.S. and Afghan governments. When the Taliban fell from power in 2001, Afghanistan possessed an irrational trade structure, and the country primarily depended on imports for basic goods. The government lacked control over the borders, armed factions usurped customs revenues at checkpoints, and illicit narcotics dominated exports. Today, the USAID-funded Trade and Accession Facilitation for Afghanistan (TAF) project helps Afghanistan rationalize its trade regime, enhance regional cooperation with its neighbors, improve international investment opportunities, and implement customs reforms.

#### CURRENT ACTIVITIES

- **Trade policy support:** Support the development of a comprehensive, liberal trade policy regime that is designed to help the public and private sectors establish greater regional and global trade linkages. USAID's trade policy liberalization and World Trade Organization (WTO) accession efforts also promote export-oriented business development.
- **Institutional strengthening:** Build International Trade Department capacity at the Ministry of Commerce and other relevant Government of the Islamic Republic of Afghanistan (GIROA) institutions. This component is designed to improve GIROA's capacity to negotiate and implement regional trade agreements and regulatory reforms. A fundamental overhaul of the legal and regulatory framework governing trade is necessary to identify and remove commercial barriers and make significant progress towards WTO accession.
- **Accession to free trade agreements:** Assist GIROA with joining and implementing regional trade arrangements, such as the Afghanistan-Pakistan Transit Trade Agreement (APTTA) and the Agreement on the South Asia Free Trade Area (SAFTA). USAID is also supporting Afghanistan's WTO accession efforts.
- **Customs reforms:** Design and implement fundamental customs reforms to streamline procedures, increase revenues, and reduce opportunities for rent seeking.
- **Public private partnerships:** Structure and implement agreements between GIROA and the private sector to promote trade through strategic business hubs and consolidated logistics services.

#### ACCOMPLISHMENTS

- Helped GIROA to resolve key policy and technical bottlenecks in the signing of the historic APTTA
- Trained and supported GIROA ministerial officials and Parliamentarians to facilitate ratification of the SAFTA and develop a memorandum of understanding on border management between the Finance and Interior ministries
- Completed a diagnostic analysis of the Kabul Inland Customs Depot (ICD)
- Recommended streamlining customs procedures
- Assisted in updating and submitting the Memorandum of Foreign Trade Regime to the WTO, helped to answer the first WTO working party questions, and supported GIROA's preparations for the first WTO working party meeting to be held in January 2011